

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

April 12, 2004  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee

ABSENT: None.

1. Executive Session

Deputy Mayor Noble opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately 20 minutes to discuss one item of property acquisition.

The Study Session resumed at 6:35 p.m. with Mayor Marshall presiding.

2. Oral Communications

- (a) Bill Pace noted the recent news article about efforts to initiate a farmers market in Bellevue and the existence of his current farmers market at Overlake Blueberry Farm (Mercer Slough).

Councilmember Lee commended Mr. Pace's contributions of food to charity and his volunteer involvement throughout the community.

- (b) Lloyd Jacobs suggested the City should invest more money into the New City Building redevelopment project to address the harshness of the building's appearance, improve pedestrian entrances, and enhance parking garage safety. He is not in favor of the design for the proposed new stairwell, which he feels clutters the concourse. He suggested the exterior design of the concourse should be modified. Mr. Jacobs feels the south end of the site is a nice sunny area for a park and waterfall.

Mayor Marshall welcomed Boy Scouts in the audience.

3. Study Session

(a) Council New Initiatives

No new initiatives were introduced.

(b) Consent Items moved from April 19 Reformatted Council Meeting

City Manager Steve Sarkozy requested Council action on three items that would have been presented on the April 19 Consent Calendar during the Regular Session. The April 19 meeting was reformatted by previous Council vote to a four-hour Council Budget Retreat/Workshop at the Winters Estate.

- ➡ Deputy Mayor Noble moved to approve the Consent Calendar, and Dr. Davidson seconded the motion.
- ➡ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:
  - (1) Motion to award Bid No. 0407 for the NE 4<sup>th</sup> Street Traffic Calming Project, which will include construction of four speed humps, one raised crosswalk with sidewalk and curb ramps, and two entry treatments to reduce vehicle speeds between 156<sup>th</sup> and 164<sup>th</sup> Avenues NE, to Mer-Con, Inc., as low bidder in the amount of \$68,863.25. (CIP Project No. PW-M-7) *(Discussed with Council at the January 12, 2004 Extended Study Session.)*
  - (2) Resolution No. 6978 authorizing execution of Amendment Two of the System Purchase Agreement with AMX International Inc. in support of the Finance and Human Resources System Replacement Project.
  - (3) Ordinance No. 5518 ratifying the action of the Growth Management Planning Council amending the Countywide Planning Policies to designate Downtown Auburn as an Urban Center.
- (c) Motion to approve Change Order No. 1 to correct errors in the bid tabulation form that were discovered after award of the construction contract with Wilder Construction (Bid No. 0404), increasing the contract amount by \$101,162 to \$5,552,430.45 for NE 29<sup>th</sup> Place connection project (CIP Plan No. PW-R-60) and NE 24<sup>th</sup> Street from NE 29<sup>th</sup> Place to SR 520 (CIP Plan No. PW-W/B-67).

Dave Berg, Transportation Assistant Director, recalled that the contract for the 29<sup>th</sup> Place Connection Place project was awarded on March 15, 2004. Since that time, the contractor notified the City of an error in the bid calculation of \$101,162, for a total contract amount of \$5.5 million.

Responding to Mr. Degginger, Mr. Berg said Wilder Construction's bid is still the lowest of those received by approximately \$100,000.

Responding to Deputy Mayor Noble, Mr. Berg explained that the bid form was particularly complex due to multiple funding sources and sales tax calculations.

- Deputy Mayor Noble moved to approve Change Order No. 1 for Bid No. 0404 regarding the 29<sup>th</sup> Place connection project, and Dr. Davidson seconded the motion.
- The motion to approve Change Order No. 1 for Bid No. 0404 carried by a vote of 7-0.
- (d) Memorandum of Understanding between the City of Bellevue, Bellevue Convention Center Authority, and the Port of Seattle documenting the intent of the City, the BCCA, and the Port to evaluate the feasibility of proceeding with a joint investment in the expansion and repositioning of Meydenbauer Center.  
*(Council action is scheduled for April 26, 2004.)*

Planning and Community Development Director Matt Terry introduced Jim Reinhartsen, an economic development consultant hired by the City to explore the feasibility of joint investment by the City, Bellevue Convention Center Authority, and the Port of Seattle in the expansion of Meydenbauer Center. Mr. Terry said the presentation will cover the proposed expansion of the Center, feasibility study scope of work and costs under the memorandum of understanding, and key decision dates.

Mr. Terry noted previous discussions with Council regarding expansion of Meydenbauer Center. In 1997 Council expressed support to expand the Center to improve its operating performance, generate more convention events using hotel rooms, and generate greater overall economic impact for the community. Changes in the supply of regional meeting and conference facilities since that time reinforce the need to expand the Center now. Most recently, staff and Council recognized that expansion of the Center can complement the Port's commitment to regional economic development and thereby help Eastside businesses perform more effectively in the global market.

Mr. Terry said Council attended a Port of Seattle Commission meeting approximately one month ago in which Mayor Marshall asked the commissioners to consider an investment in Meydenbauer Center. Staff members have been working together since that meeting to develop the scope of work for a feasibility study. Mr. Terry noted that Eastside taxpayers contribute significantly to the Port's funding. The City has been interested in a joint economic development investment for some time.

Mr. Terry explained that the memorandum of understanding documents the intent of the three parties to test the feasibility of investing in the expansion of Meydenbauer Center. Phase 1 of the proposed study focuses on financial feasibility and Phase 2 examines how a repositioned convention and trade center would operate. The study will explore: 1) the feasibility of a \$25 million investment by the Port and whether the Port's investment return expectations can be met given the performance of the convention center, 2) whether Meydenbauer Center's current

expansion program meets the enhanced mission of a convention and trade center, 3) the appropriate role of the Port in the governance of the Center and key principles, assumptions, and strategies for its future operation, and 4) the legal authority for joint investment by the City, BCCA, and the Port. Phase 1 work is to be completed by the end of June.

Phase 2 work will be initiated only if the City, BCCA, and the Port approve work completed during the first phase. Phase 2 work proposes the establishment of a budget and operations review committee with current BCCA Board Members and new members to be appointed by the City. The committee's task would be to evaluate operating models and associated budgets for the expanded convention and trade center, and to report back to Council and the Port by November 2004.

Mr. Terry said the cost of Phase 1 feasibility study work is estimated at \$250,000, to be shared equally by BCCA and the Port. The cost of Phase 2 work will be developed upon the completion of Phase 1.

Responding to Mr. Degginger, Mr. Terry said the feasibility study will consider a full range of options for the Center's future operation.

Mr. Terry said Council action on the MOU is requested on April 26, and the Port Commission will take action on April 27.

Responding to Dr. Davidson, Mr. Terry said the BCCA Board will take a formal position on the Phase 1 feasibility study results. Phase 2 work will be reviewed by the budget and operations committee, which will include some BCCA Board Members.

(e) New City Building – Sustainable Design Initiatives

Mr. Terry said the purpose of tonight's discussion is to provide an update on sustainable, environmentally friendly design alternatives. He recalled previous Council direction to not pursue a formal LEED (Leadership in Energy and Environmental Design) rating but to explore the long-term feasibility of sustainable design investments.

Mr. Terry reviewed the topics for upcoming Council briefings:

- April 26 – SE corner landscape, screening, and special feature options, options for design of south end of concourse, concourse amenities and security options, and furniture mock-ups.
- May 3 – Project scope and budget update, reconciled design development estimates, scope options, contingency recommendations, and financing plan update.
- May 10 – Public hearing, interior and exterior finishes scope and options, pavilion design and funding options, and public art proposals.
- May 17 and 24, June 1 – Further discussion, finalize project scope, finalize maximum allowable construction cost (MACC), and finalize direction on bond sale.

Dennis Forsyth, SRG Partnership, reviewed a list of sustainable design achievements currently in the New City Building redevelopment project scope. Sustainable features include:

- Dense urban site uses existing infrastructure.
- Proximity to transit options.
- Facilities to promote bicycle commuting.
- Project creates new green space in the urban environment.
- Covered parking reduces heat island effect.
- Green roofs reduce heat island effect and storm water runoff.
- Lighting is designed to minimize light pollution.
- New low-flow water features.
- New high-efficiency mechanical equipment.
- Will continue to use efficient dual duct HVAC system in building, with new controls to be installed for enhanced efficiency.
- High-performance window glazing to be installed.
- Independent commissioning to ensure all components are working properly.
- New chillers.
- Reusing existing building and most of existing infrastructure.
- High-volume copiers and printers in dedicated rooms with proper exhaust.
- Thermal comfort controls.
- Displacement ventilation.

Sustainable options not currently in the project scope are:

- Alternative fuel vehicle refueling stations.
- Rainwater harvesting to water plants.
- Groundwater use to run fountains.
- Enhanced building systems management.
- Aggressive recycling of construction debris.
- High-recycled content materials.
- Carbon dioxide sensors.
- Low VOC paints, sealants, adhesives, floor coverings, and wall finishes.

Responding to Dr. Davidson, Mr. Forsyth said most or all of the sustainable features contained in the budget were chosen for other reasons but also provide a sustainability benefit. For example, green roofs were chosen for their function as gathering places but also provide environmental advantages.

Rick Zieve, SRG Partnership, said three of the proposed green roof areas are designed for use by building occupants and one area, around the Council Chambers, will not be accessible but is intended to provide visible landscaping. Green roofs increase the energy efficiency of the building, increase the life span of the roofing membrane, reduce the urban heat island effect, reduce storm water runoff, create usable landscape amenities, and enhance views from the building and surrounding buildings.

Mr. Zieve reviewed potential green roof areas in order of priority:

1. Level 1/Entry level from parking garage, most accessible to the public of all areas.
2. Level 3/South side, existing computer building roof. Access to café and adjacent to training rooms.
3. Level 3/North side, adjacent to training rooms.
4. Area around Council Chambers, non-accessible green roof.
5. Optional green roof on Level 6.

The total cost of the proposed green roofs is \$551,000 (raw construction cost of \$401,000).

Responding to Deputy Mayor Noble, Mr. Zieve said the green roofs are constructed of materials designed for weather protection and moisture retention. Mr. Noble requested information on any buildings in the Puget Sound area with similar roofs for the past 10 to 15 years. Mr. Zieve said the technology has been used in Europe for many years. Mr. Forsyth said a green roof at the University of Washington physics lab is a different system but has been in place for at least 10 years.

Mr. Degginger asked whether the design team had conferred with a roofing consultant about the effect of green roofs on the performance of the roof and possible water penetration of the building envelope. Mr. Forsyth said the design team has not conferred with a roofing consultant. Mr. Degginger said he has spoken with a roofing consultant who expressed concern about using green roofs. He questioned ongoing maintenance costs and the aesthetic value of the green roofs. As an alternative, Mr. Degginger suggested providing roof access with an appropriate walking surface and limited greenery in selected areas. Mr. Zieve said such options are possible but he feels the green roofs provide a better amenity.

Mr. Lee is not convinced the construction and maintenance costs justify installing green roofs.

Responding to Dr. Davidson, Mr. Zieve said green roofs typically feature drought resistant, low maintenance plants. The reduction in storm water runoff ranges from 50 to 90 percent.

Mayor Marshall noted the need for enhanced pedestrian access to the building, separate from Police access, which could necessitate the use of roof areas. She agreed with Mr. Degginger's earlier comment that the cost of the roofs is consistent with the cost of a mini park, and she encouraged Council to weigh this against other options. Mrs. Marshall expressed general support for sustainable features and the City's opportunity for leadership in this area.

Moving on, Mr. Forsyth corrected his statement during the last Council discussion that specific upgrades are recommended for the 911 Communications Center roof based on insurance requirements. The upgrades are not based on insurance requirements but rather on the 24-hour operation of the facility and the need to accommodate extensive foot traffic for antenna and equipment maintenance. The design team recommends a higher quality roof to accommodate the foot traffic needed for better flexibility and performance in accessing structural support systems. The cost of this item is \$124,000 (\$90,000 raw construction cost).

Mayor Marshall thanked project staff for the update.

Returning to the previous agenda item regarding the MOU to study the expansion of Meydenbauer Center, Dr. Davidson questioned which parties will be involved in approving the feasibility study recommendations. Mr. Terry said the BCCA will advise the City, while the City and the Port are the final decision makers. Mr. Terry responded to additional brief questions of clarification from Council.

At 8:10 p.m., Mayor Marshall declared a break. The meeting resumed at 8:17 p.m.

(f) Budget Process – Financial Forecast #1

Joe Guinasso, Assistant Finance Director, said the financial forecast is updated in conjunction with budget development and the mid-biennium budget update, as well as at least two times during the year. The forecast covers the General Fund and Enterprise Funds including utility funds, development services, and the parks enterprise fund. The forecast provides insight into the long-term financial effects of current or changed programs, priorities, and policies. It can indicate potential problem areas or areas in which alternative strategies should be developed. The early outlook forecast will be provided to Council in June.

Current preliminary outlook results anticipate that projected revenue will exceed projected expenditures for 2005, 2006, and 2007. Retail sales tax projections indicate steady growth over the forecast period through 2010. However, growth rates are approximately half of the average rates over the past six years due to a slowdown in construction. Streamlined sales tax sourcing, which could be implemented with future state legislation, could have an estimated negative impact of up to \$1.4 million. Business and Occupation Tax revenues grow steadily through 2007 but could decrease in 2008 due to B&O tax apportionment. Property tax projections are relatively stable for the financial forecast period but the potential impact of Initiative 864 is not included in the projections.

Mayor Marshall said Initiative 864 proposes a 25 percent decrease in property taxes, which would likely have a noticeable impact on basic government services. Mr. Chelminiak encouraged staff to refine its analysis of the potential impact of I-864 by June so Council can accurately inform the public. Ms. Balducci concurred and noted the need for preliminary planning regarding tradeoffs should I-864 be approved by voters.

Mr. Guinasso noted that health benefit costs increased more than 19 percent from 2002 to 2003. The preliminary outlook assumes 13 percent annual growth in these costs for the 2005-2006 budget. Mr. Guinasso reminded Council of the operational efficiencies to be gained by the implementation of the Enterprise Resource Planning (Finance/HR) system, which will eliminate an estimated 18 FTE positions by the end of 2006. State pension rates will increase beginning in 2005 and increases will extend through 2008. This produces an estimated impact on the General Fund of \$6.1 million for 2005-2008.

Mr. Degginger asked when the FTE savings promised as part of the ERP project would be achieved. Mr. Sarkozy said the ERP system will be fully implemented by mid-2006. He will provide an updated schedule regarding achievement of the savings for Council.

Staff responded to additional questions of clarification. Responding to Dr. Davidson, Mr. Guinasso said utility tax revenue projections are in line with projections presented during the mid-biennium budget update. Staff will provide the information.

At 8:38 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich  
City Clerk

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